

Department of Social and Health Services

DP Code/Title: PL-UE Cost of Boarding Home Rule Implemen
Program Level - 050 Long Term Care Services

Budget Period: 2003-05 Version: E2 050 2003-05 2004 Sup-Agency Req

Recommendation Summary Text:

The Aging and Disabilities Services Administration (ADSA) is requesting funding for an additional \$.12 per resident-day to be paid to licensed boarding homes that have contracts with ADSA to provide residential care to the Department of Social and Health Services (DSHS) clients, effective September 1, 2004. The additional funding is requested to cover the costs of the revised boarding home licensing rules. Statewide result number 5.

Fiscal Detail:

Operating Expenditures

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	0	114,000	114,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	0	116,000	116,000
Total Cost	0	230,000	230,000

Staffing

Package Description:

Boarding homes are currently licensed by DSHS under WAC 388-78A. The department has completely revised WAC 388-78A, and the amended WAC 388-78A is scheduled to go into effect September 1, 2004. ADSA contracts with certain licensed boarding homes per WAC 388-110 to purchase residential care for eligible clients. There are three types of contracts ADSA has with boarding homes: "Assisted Living (AL);" "Enhanced Adult Residential Care (EARC);" and "Adult Residential Care (ARC)." It has been determined that the cost of implementing the revised boarding home licensing rules (WAC 388-78A) is \$.12/day/resident. This request is for funding to pay an additional \$.12/resident-day to boarding homes with AL, EARC, and ARC contracts effective September 01, 2004 to pay for the changes required by the revised licensing rule.

Aging and Disability Services Administration (ADSA) began the process of obtaining public input regarding amending WAC 388-78A in the spring of 2000 by holding meetings with a wide variety of stakeholders. The initial meetings were designed to identify the general problems that existed in current rules and the major topics that needed to be addressed. As a result of these first discussions, eight different work groups, composed of a variety of stakeholders, were created around the topics of:

Provision of nursing services and health care supports

The process of assessing residents' needs

Boarding homes disclosing to the public the services they provide

Administrative issues in the boarding home

Providing care to persons with dementia

Enforcement issues

The building and physical environment, and

Miscellaneous issues including the basic services that should be required in a boarding home.

These eight work groups met a total of 58 times and developed 206 advisory recommendations to ADSA. These advisory recommendations served as general concepts or guiding principles for inclusion in the revision of WAC 388-78A. ADSA management team reviewed each of these recommendations and accepted the vast majority of them.

In accordance with the need for a Small Business Economic Impact Statement, as required by RCW 19.85, and in response to input from providers, ADSA determined that the ongoing costs of implementing the new rules would be \$0.12 per resident per day.

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Proposal Changes the Following Existing Rules: The entire licensing chapter 388-78A WAC has been revised to make it easier to understand and strengthen requirements to improve care and services to boarding home residents. The proposed changes include:

- Repealing all existing sections in chapter 388-78A WAC and replacing them with new sections in the same chapter.
- Specifying the characteristics of persons that boarding homes may accept and retain in the boarding home.
- Specifying the outcomes and timing of an initial resident assessment and what topics the assessment must include.
- Specifying the process of developing negotiated care plans for residents, including the timing and content of these agreements.
- Specifying the minimum level of services a boarding home must provide.
- Specifying the requirements for medication assistance and medication administration, and storing and accounting for medications.
- Specifying the requirements associated with providing intermittent nursing services, including coordinating health care services with outside providers.
- Specifying the requirements for implementing negotiated care plans and monitoring residents' well-being.
- Specifying the requirements for hiring and training sufficient staff for the boarding home, including requirements for criminal history background checks and testing for tuberculosis.
- Specifying the qualifications and training requirements for boarding home administrators.
- Specifying the administrative requirements of operating a boarding home, including use of management agreements, development of policies and procedures, infection control practices, and reporting requirements.
- Specifying requirements for disaster preparedness and disclosing available services.
- Specifying the licensee's responsibilities in a boarding home.

For more information on the Boarding Home rule change, see:
<http://www.aasa.dshs.wa.gov/professional/bhrule/default.htm>

Narrative Justification and Impact Statement

How contributes to strategic plan:

This request contributes to keeping community options available and to the goals of having clients live in a more home-like community setting, and therefore, save costs over nursing home care.

Performance Measure Detail

Program: 050

Goal: 01E Ensure access to an array of optional long-term care services

No measures submitted for package

Incremental Changes

FY 1 FY 2

Goal: 03E Budget Performance and Economic Value

Efficiency Measures

7ED Monthly average cost per long-term care client.

Incremental Changes

FY 1 FY 2

\$0 \$2

Reason for change:

This decision package is being submitted because the effective date of the revised boarding home licensing rules is September 1, 2004, and boarding homes will begin to incur the costs of implementing these new rules at that time.

REASON FOR ADOPTION:

- To comply with Governor Locke's Executive Order 97-02 regarding regulatory improvement.
- To make the rules easier to understand.

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- To make the rules more applicable to today's boarding home residents.
- To make the rules more consistent with current practices in residential care.
- To make the rules more focused on what occurs with residents ("outcome focused").

Impact on clients and services:

These additional funds will allow existing contracts with licensed boarding homes to continue at the current level. Without additional funding, licensed boarding homes may choose to no longer serve department clients. This could have two adverse consequences: DSHS clients may have their options for living in community settings reduced; and DSHS clients may be required to move into more costly nursing homes in order to have their needs met. Affected stakeholders include the boarding home industry, residents of boarding homes, and other department clients potentially in need of community residential placements.

Impact on other state programs:

None

Relationship to capital budget:

Not applicable

Required changes to existing RCW, WAC, contract, or plan:

The daily rate amounts in WAC 105-0005 and WAC 105-0030 will need to be changed.

Alternatives explored by agency:

Alternatives to providing an increase of \$.12/resident-day are to provide no additional funding, or to provide less than \$.12/resident-day. These are not seen as viable options.

Budget impacts in future biennia:

The level of expenditures in future biennia will be approximately \$277,000 per year based on 365 days in a year.

Distinction between one-time and ongoing costs:

These are ongoing costs.

Effects of non-funding:

If a boarding home did stop taking DSHS clients as a result of not receiving this rate increase, nursing home expenditures may increase, since nursing home care may be the only other viable alternative in a community.

Expenditure Calculations and Assumptions:

The Boarding Home Rule Implementation is effective September 1, 2004. The number of Medicaid boarding home clients for Fiscal Year 2005 is estimated at 6,332. The proposed increase per day is \$.12 per resident day for a total of 303 days in Fiscal Year 2005. The requested increase is \$114,000 General Fund-State and \$116,000 federal for a total of \$230,000.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
N Grants, Benefits & Client Services	0	230,000	230,000

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DSHS Source Code Detail

Overall Funding		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State				
<u>Sources</u>	<u>Title</u>			
0011	General Fund State	0	114,000	114,000
<i>Total for Fund 001-1</i>		<u>0</u>	<u>114,000</u>	<u>114,000</u>
Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa				
<u>Sources</u>	<u>Title</u>			
19TA	Title XIX Assistance (FMAP)	0	116,000	116,000
<i>Total for Fund 001-C</i>		<u>0</u>	<u>116,000</u>	<u>116,000</u>
Total Overall Funding		<u>0</u>	<u>230,000</u>	<u>230,000</u>